

September 2, 2008

The Honorable Marshall C. Sanford, Governor  
State of South Carolina

Re: FY 2009-10 Budget Request (CHE Requests for Public Colleges and Universities)

Dear Governor Sanford:

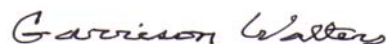
In keeping with the Governor's Executive Budget Request, we have enclosed the **FY 2009-10 budget requests for the public colleges and universities.**

In transmitting these recommendations, staff recognizes it is a desire of the Commission to develop with the higher education community a unified budget approach complete with a consistent and coherent description of the benefits that higher education brings to the state. Since the Commission's goal is to achieve this unity, the requests herein are broadly defined and changes to structure and content of the recommendations are possible as the process unfolds. This is particularly true for the Higher Education Capital Plan which has not yet received consensus and is being deferred at this time.

Through the requests for higher education for FY 2009-10, the Commission supports: increased institutional funding; increased student aid, particularly need-based aid; and increased, continued and/or new funding for a variety of collaborative statewide projects that enhance the effectiveness of higher education delivery in South Carolina. In developing the enclosed recommendations, statewide planning initiatives that are underway and the Commission's August hearings, which provided presidents of the state's public colleges and universities the opportunity to inform the Commission of recent activities and to discuss their needs, have been considered.

The requests herein are contingent on Commission approval on September 4. Any necessary revisions to this submission will be transmitted following that meeting. Please phone me, Gary Glenn at 737-2155 or Julie Carullo at 737-2292, with any questions you may have.

Sincerely,



Garrison Walters

Enclosure

cc: Layton McCurdy, Chair, and Members of the SC Commission on Higher Education  
Gary Glenn, Director of Finance, Facilities & MIS  
Julie Carullo, Director Governmental Affairs  
Jeff Richards, Director of Internal Operations

## FISCAL YEAR 2009-10 BUDGET PLAN

### I. EXECUTIVE SUMMARY

#### A. Agency Section/Code/Name:

H03 - H59 - Commission on Higher Education and Public Colleges and Universities

#### B. Statewide Mission:

The Commission on Higher Education (CHE) serves as South Carolina's coordinating board for the state's 33 public post-secondary institutions. The Commission has a dual role within state government, acting both as an advocate for higher education as well as an oversight entity on behalf of the General Assembly. The South Carolina Commission on Higher Education promotes quality and efficiency in the state system of higher education with the goal of fostering economic growth and human development in South Carolina. The Commission's values include: the importance of quality higher education; accessibility of higher education to the citizens of the state; accountability of the institutions to their students, the General Assembly, and the state's taxpayers; excellence on the part of CHE's staff in performing its functions; and excellence on the part of the institutions in providing educational opportunities.

#### C. Summary Description of Strategic or Long-Term Goals:

The South Carolina Commission on Higher Education's overarching strategic goals are:

(1) to ensure efficient and effective delivery of services, (2) to ensure quality and diversity of academic programs and educational services in South Carolina, (3) to ensure access to and quality of educational opportunities among underrepresented groups in higher education in SC, (4) to expand postsecondary educational opportunities for South Carolinians, (5) to present the needs and develop support for appropriate funding of public colleges and universities and to address strategic issues in public and private higher education as they are identified, and (6) to make South Carolina a global leader by fostering higher education's role in economic growth and human development.

The Agency Recurring Base shown below includes \$742,017,815 to Colleges and universities and \$118,424,383 appropriated to the Commission on Higher Education in direct support of the institutions or our education partners. Federal and other funds are not shown.

#### D. Agency Recurring Base Appropriation:

State	\$860,442,198
Federal	\$0
Other	\$0

#### E. Efficiency Measures:

The Commission on Higher Education and the colleges and universities operate under the Baldrige accountability criteria as required by the state. In addition, the Commission continues to monitor Performance Funding data. On behalf of the institutions, CHE submits a review of institutional assessment activities to ensure accountability and quality programs. The report entitled A Closer Look at Public Higher Education: Institutional Effectiveness, Accountability and Performance is submitted to the General Assembly each January for accountability purposes. Information is available on the Commission's website. The Commission and the institutions continue to work together to ensure the system of higher education is effectively contributing to the needs of the state and its citizens. The Commission, along with the institutions, continues to work to ensure adequacy and equity in funding for public higher education institutions.

#### F. Number of Proviso Changes:

CHE is not requesting any proviso changes for FY 2009-10 at this time.

#### G. Signature/Agency Contacts/Telephone Numbers:



Garrison Walters  
Executive Director

Contacts: Gary Glenn (803) 737-2155, gglenn@che.sc.gov  
Julie Carullo (803) 737-2292, jcarullo@che.sc.gov

**IIA. OPERATING BUDGET PRIORITIES**

Agency Section/Code/Name: H03 - H59 - Commission on Higher Education and Public Colleges and Universities

**SUMMARY OF OPERATING BUDGET PRIORITIES FOR FY 2009-2010**

OPERATING BUDGET PRIORITIES					FUNDING					FTEs			
Priority No.	Goal No.	Title	Activity Name	Activity No.	Non-Recurring State	Recurring State	Federal	Other	Total	State	Federal	Other	Total
1	5	Increased Core Funding - Operating		N/A		42,078,186			42,078,186				0.00
2	3	Need-based Grant Program	Educational Endowment/ Need-based Grants	297 & 311		16,312,708			16,312,708				0.00
3	1, 3 & 6	Higher Education Electronic Library	Electronic Library	307		2,300,000			2,300,000				0.00
4		Statewide Higher Education Programs											
4.1	3 & 4	Expansion and Support for Student Scholarship and Grant Programs	Lottery Tuition Assistance / Palmetto Fellows, LIFE, and HOPE Scholarship Programs	314, 312, 306, 310				55,800,000	55,800,000				0.00
4.2	3 & 4	National Guard Tuition Assistance	National Guard Tuition Repayment Program	304		1,300,000			1,300,000				
4.3	6	Centers of Economic Excellence	Centers of Excellence	292				30,000,000	30,000,000				0.00
4.4	5 & 6	SC LightRail		N/A	4,500,000				4,500,000				0.00
5		Support for Other Operating Support - Lottery											
5a	1	Technology-Public 4-Yr & 2-Yr & TCs)	Technology Grants	315				12,000,000	12,000,000				0.00
5b	3 & 4	Higher Education Excellence Enhancement Program	Excellence Enhancement	309				4,700,000	4,700,000				0.00
5c		South Carolina State University	SC State	N/A				2,500,000	2,500,000				
6		Collaborative Education Programs							0				0.00
6a	1	SREB Contractual Scholarships, Fees & Assessments	SREB Contractual Scholarships, Fees & Assessments	286 & 287		469,300			469,300				
6b	1	SC Gear Up	Gear Up	288		223,147			223,147				
6c	1	Access & Equity	Access & Equity	285		15,593			15,593				
6d	1	EPSCoR	Experimental Program to Stimulate Cooperative Research	303		1,026,670			1,026,670				0.00
6e	1	University Center of Greenville - Operations	University Center of Greenville - Operations	282 & 283		1,728,998			1,728,998				0.00
6e	1	Greenville Technical CollegeDebt Service	Greenville TC - University Ctr	281	750,000				750,000				0.00
6f	1	Lowcountry Graduate Center	Lowcountry Graduate Center	284	1,625,000	1,200,000			2,825,000				
6g	1	SC Manufacturing Extension Partnership	SC Manufacturing Extension Partnership	289		1,200,000			1,200,000				
6h	1	Critical Needs Nursing Initiative	Critical Needs Nursing Initiative	1797		1,000,000			1,000,000				
6i	1	SC Alliance for Minority Participation	SC Alliance for Minority Participation	280		313,308			313,308				0.00
For additional rows, place cursor in this gray box and press "Ctrl" + "b". (You need to start in this gray box for each row needed or the formulas will not copy properly.)													
TOTAL OF ALL OPERATING BUDGET PRIORITIES					6,875,000	69,167,910	0	105,000,000	181,042,910	0.00	0.00	0.00	0.00

**IIB. CAPITAL BUDGET PRIORITIES**

Agency Section/Code/Name:

**SUMMARY OF CAPITAL BUDGET PRIORITIES FOR FY 2009-2010**

**The Capital Plan for Higher Education has not received final approval. Accordingly, information concerning capital budget priorities is not available at this time.**

CAPITAL BUDGET PRIORITIES					Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.	Project No.*	Project Name	Activity Name	Activity No.				
1								0
2								0
3								0
4								0
5								0
For additional rows, place cursor in this gray box and press "Ctrl" + "c". (You need to start in this gray box for each row needed or the formulas will not copy properly.)								
TOTAL OF ALL CAPITAL BUDGET PRIORITIES					0	0	0	0

\*if applicable

### III. DETAILED JUSTIFICATION FOR FY 2009-10 OPERATING BUDGET PRIORITIES

A. **Agency Section/Code/Name:**

Section 6 / H03 / Commission on Higher Education

B. **Priority No.:** 1 of 6

C.

(1) **Title:**

Increased Core Funding - Operating

(2) **Summary Description:**

This request is for increased operating funds for colleges and universities to provide quality instruction and services.

(3) **Strategic Goal/Action Plan (if applicable):**

This funding supports the goal of presenting the needs and developing support for appropriate funding of public colleges and universities and the goal of the higher education community to address funding inequities that have resulted across institutions in regard to the levels of state funding to estimated institutional need. The request is for increased base operating funds of \$42,078,186 in FY 2009-10.

D. **Budget Program Number and Name:**

II - Service Programs

E. **Agency Activity Number and Name:**

New

F. **Detailed Justification for Funding:**

(1) **Justification for Funding Increase:**

Higher Education in South Carolina plays an increasingly critical role as the state competes in the new knowledge-based economy. It is clear that our state must enroll and graduate greater numbers of its population if we are to improve our competitiveness. Doing so requires accessible, affordable and accountable public higher education institutions. To maximize our ability to compete effectively in the knowledge economy, the state must move its overall investment in higher education to a level that allows our institutions to meet the increasing statewide demand for greater levels of intellectual capital. Adequate funding of core operating costs not only enhances the effectiveness and quality with which our colleges and universities deliver on these demands but also mitigates the need for increased tuition and fees. In turn, our institutions will continue to remain affordable and accessible for all qualified South Carolinians.

Public colleges and universities have two primary sources of revenue available to fund core operating expenses: state general funds and student tuition and fees. A balance is critically important in assuring continued access to higher education. Our institutions have kept pace in the face of diminishing state revenues by implementing efficiencies across institutional operations, eliminating unnecessary expenditures, reducing programs, and unfortunately, by increasing tuition and fees and relying more on part-time faculty. To ensure adequate state funding of core operating expenses, consideration of several factors is vitally important. First, inflation must be taken into account. Higher education must compete in a very different market than the average employer. A majority of institutional costs, for example, are associated with recruiting and competing for well-qualified faculty, and the most knowledgeable people are commanding higher salaries in a knowledge-based economy. Considering inflationary increases in line with this market on an on-going basis is critical. Second, growth must be a factor. Our institutions must serve more students each year – a demand that will continue as we become more successful in graduating greater numbers of our students from high school. Additionally, there are constantly increasing demands for educational services such as research and training that must be taken into account.

(2)

FY 2009-10 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Number of FTEs*		0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$42,078,186	\$0	\$0	\$42,078,186
Other Operating Expenses	\$0	\$0	\$0	\$0	\$ 0
<b>Total</b>	\$ 0	\$42,078,186	\$ 0	\$ 0	\$42,078,186
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) **Base Appropriation:**

State \$7,975,561  
Federal \$5,645,031  
Other \$6,657,115

\*FY 2008-09 base appropriation for higher education institutions includes only support from the general fund. This number is based on the FY 2008-09 Appropriation minus 3%. Federal and other funds are not provided here.

(4) **Is this priority associated with a Capital Budget Priority? No**  
**If yes, state Capital Budget Priority Number and Project Name:** .

G. **Detailed Justification for FTEs**

(1) **Justification for New FTEs**

(a) **Justification:**

(b) **Future Impact on Operating Expenses or Facility Requirements:**

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

(3) **FTEs in Program Area per FY 2008-09 Appropriation Act:**

State 0.00  
Federal 0.00  
Other 0.00

Agency-wide Vacant FTEs as of July 31, 2008: 12.0 of 34.0  
% Vacant 35.30%

H. **Other Comments:**

These funds will be permanently transferred to the public colleges and universities and AHEC to support E&G activities.

### III. DETAILED JUSTIFICATION FOR FY 2009-10 OPERATING BUDGET PRIORITIES

A. **Agency Section/Code/Name:**

Section 6 / H03 / Commission on Higher Education

B. **Priority No.:** 2 of 6

C.

(1) **Title:**

Need-based Grant Program

(2) **Summary Description:**

The Commission is seeking increased support for need-based grants which are critical to success in improving the number of South Carolinians who enter college and graduate. The Commission and the higher education community support a substantial increase to need-based funding to ensure affordable and accessible education for our state's neediest students. CHE also recommends that movement toward closing the affordability gap over the next several years be a core state priority. To begin addressing the gap, additional funding of \$16,312,708 for the Need-Based Grant Program at public and independent institutions is requested. This will provide the same level of support (16% of institutional tuition and fees) as requested in FY 2008-09.

(3) **Strategic Goal/Action Plan (if applicable):**

This funding supports agency goals to ensure access to and quality of educational opportunities among underrepresented groups in higher education in SC, to expand postsecondary educational opportunities for South Carolinians; and to make South Carolina a global leader by fostering higher education's role in economic growth and human development.

D. **Budget Program Number and Name:**

H-66 Lottery Expenditure Account - I. Lottery Expenditures

H-03 Commission on Higher Education - III. Cutting Edge - Educational Endowment

E. **Agency Activity Number and Name:**

297 - Educational Endowment

311 - Need-based Grants

F. **Detailed Justification for Funding:**

(1) **Justification for Funding Increase:**

Sufficient support for need-based grants is critical to success in improving the number of South Carolinians who enter college and graduate. In recent years, funding for merit-based scholarships has grown to keep pace with increased numbers of eligible students, but funding for need-based grants has not. As a result, a significant imbalance exists between merit-based and need-based student aid. The state's merit programs (Palmetto Fellows, LIFE and HOPE) represented 70% of approximately \$245 million in dollars awarded during the 2006-07 Academic Year (Fall 2006, and Spring & Summer 2007), whereas state need-based aid programs (CHE Need-based and Tuition Grants) represented 10%, and Lottery Tuition Assistance at two-year institutions represented 20%. A recent survey (AY 2005-06) by the National Association of State Student Grant Aid Programs shows that South Carolina is far below the national average in need-based aid, and recent CHE surveys of our institutions demonstrate that despite overall increased student aid, a sizable affordability gap remains for our state's neediest students.

(2)

FY 2009-10 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Number of FTEs*		0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$16,312,708	\$0	\$0	\$16,312,708

<b>Total</b>	\$ 0	\$16,312,708	\$ 0	\$ 0	\$16,312,708
* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.					

(3) **Base Appropriation:**

State \$10,786,216

Federal \$0

Other \$273,568,083

(4) **Is this priority associated with a Capital Budget Priority?** No

**If yes, state Capital Budget Priority Number and Project Name:** .

**G. Detailed Justification for FTEs**

(1) **Justification for New FTEs**

(a) **Justification:**

N/A

(b) **Future Impact on Operating Expenses or Facility Requirements:**

N/A

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

(3) **FTEs in Program Area per FY 2008-09 Appropriation Act:**

State 0.00

Federal 0.00

Other 0.00

Agency-wide Vacant FTEs as of July 31, 2008: 12.0 of 34.0

% Vacant 35.30%

**H. Other Comments:**



### III. DETAILED JUSTIFICATION FOR FY 2009-10 OPERATING BUDGET PRIORITIES

A. **Agency Section/Code/Name:**

Section 6 / H03 / Commission on Higher Education

B. **Priority No.:** 3 of 6

C.

(1) **Title:**

Statewide Higher Education Electronic Library

(2) **Summary Description:**

The Statewide Higher Education Electronic Library is a cooperative and collaborative effort among our public and private higher education libraries that has transformed how the state's citizens access vital academic information. The higher education library significantly enhances the quality of undergraduate education and eliminates duplicated expenditures by providing a mechanism for group purchases and thus better prices of essential sophisticated electronic academic databases that are made available to all of South Carolina's higher education libraries.

(3) **Strategic Goal/Action Plan (if applicable):**

As an "educational best practice", the statewide electronic library (also referred to as PASCAL) directly supports Goal 1: To ensure effective and efficient delivery of services.

D. **Budget Program Number and Name:**

Section - II. Service Programs - State Electronic Library

E. **Agency Activity Number and Name:**

307 Statewide Electronic Library

F. **Detailed Justification for Funding:**

(1) **Justification for Funding Increase:**

CHE, along with public and private institutions, supports the continued funding of the Statewide Higher Education Electronic Library – a cooperative and collaborative effort among our public and private higher education libraries that is transforming how the state's citizens access vital academic information. The higher education electronic library significantly enhances the quality of undergraduate education and eliminates duplicated expenditures by enabling a mechanism for group purchases at better prices of essential sophisticated electronic academic databases that will be available to all of South Carolina's higher education libraries. The project is now in its fourth year of funding. Each year Prior to FY 2008-09, \$2,000,000 was provided in non-recurring funding. In FY 2008-09, support was moved to recurring funds but with a 90% reduction to \$200,000. CHE seeks to establish this project in recurring funds at \$2,500,000. The increase is needed to provide access to additional scientific databases that will greatly enhance graduate study and research. Recurring funds are needed so that project staff is better able to predict funding which will lead to an improved ability to negotiate the best contracts for the state.

(2)

FY 2009-10 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Number of FTEs*		0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$2,300,000	\$0	\$0	\$2,300,000
<b>Total</b>	\$ 0	\$2,300,000	\$ 0	\$ 0	\$2,300,000
* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.					

(3) **Base Appropriation:**

State \$7,975,561  
Federal \$5,645,031  
Other \$6,657,115

- (4) **Is this priority associated with a Capital Budget Priority?** No  
**If yes, state Capital Budget Priority Number and Project Name:** .

G. **Detailed Justification for FTEs**

(1) **Justification for New FTEs**

(a) **Justification:**

(b) **Future Impact on Operating Expenses or Facility Requirements:**

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

(3) **FTEs in Program Area per FY 2008-09 Appropriation Act:**

State 0.00  
Federal 0.00  
Other 0.00

Agency-wide Vacant FTEs as of July 31, 2008: 12.0 of 34.0  
% Vacant 35.30%

H. **Other Comments:**

### III. DETAILED JUSTIFICATION FOR FY 2009-10 OPERATING BUDGET PRIORITIES

A. **Agency Section/Code/Name:**

Section 2 / H66 / Lottery Expenditure Account  
Section 6 / H03 / Commission on Higher Education

B. **Priority No.:** 4.1 of 6

C.

(1) **Title:**

Statewide Higher Education Programs - Continuation/Expansion of Support for Other Student Scholarship and Grant Programs

(2) **Summary Description:**

The Commission is requesting increased funding for state scholarship programs to ensure continued affordability. Increases are requested for the Lottery Tuition Assistance Program, funding restored and made recurring for the National Guard Tuition Assistance program, and continued full funding of the state's merit programs including Palmetto Fellows, LIFE and HOPE scholarships.

(3) **Strategic Goal/Action Plan (if applicable):**

This funding supports agency goals to ensure access to and quality of educational opportunities, to expand postsecondary educational opportunities for South Carolinians; and to make South Carolina a global leader by fostering higher education's role in economic growth and human development.

D. **Budget Program Number and Name:**

H66 Lottery Expenditure Account - I. Lottery Expenditures  
H03 Commission on Higher Education - III. Cutting Edge - Educational Endowment  
H03 Commission on Higher Education - VIII. Scholarship and Assistance - LIFE Scholarships

E. **Agency Activity Number and Name:**

314 - Lottery Tuition Assistance  
312 - Palmetto Fellows Scholarships  
306 - LIFE Scholarships  
310 - HOPE Scholarships

F. **Detailed Justification for Funding:**

(1) **Justification for Funding Increase:**

a.) To maintain high access at the state's two-year institutions, CHE supports an \$8,800,000 increase to the Lottery Tuition Assistance Program to stabilize the available per student grant at the legislated target of \$996 per semester. Lottery Tuition Assistance funds are made available to degree-seeking students who are enrolled at two-year public and independent colleges and who are taking at least six credit hours. The program is funded with lottery funds with awards limited to the extent funding is appropriated. In FY 2008-09, \$47 million was provided to support this program. The award level per full-time student has been set at \$900 for fall 2008. As has been the case since the inception of the program in FY 2002-03, the award level must be revisited each semester. The number of students provided awards has increased significantly since the program began. Increased funds are needed to reach the targeted goal of \$996 as stipulated in the lottery appropriation proviso. The requested increase brings the program total to \$55.8 million.

b.) CHE requests continued full funding of the Palmetto Fellows, LIFE and HOPE scholarship programs.

(2)

FY 2009-10 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Number of FTEs*		0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$0	\$0	\$55,800,000	\$55,800,000
<b>Total</b>	\$ 0	\$ 0	\$ 0	\$55,800,000	\$55,800,000
* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.					

(3) **Base Appropriation:**

State \$112,453,954

Federal \$0

Other \$3,425,132

(4) **Is this priority associated with a Capital Budget Priority?** No

**If yes, state Capital Budget Priority Number and Project Name:** .

G. **Detailed Justification for FTEs**

(1) **Justification for New FTEs**

(a) **Justification:**

(b) **Future Impact on Operating Expenses or Facility Requirements:**

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

(3) **FTEs in Program Area per FY 2008-09 Appropriation Act:**

State 24.70

Federal 0.00

Other 0.00

Agency-wide Vacant FTEs as of July 31, 2008: 12.0 of 34.0

% Vacant 35.30%

H. **Other Comments:**

Included with this request is our request for full funding of the Palmetto Fellows, LIFE, and HOPE Scholarship Programs.

### III. DETAILED JUSTIFICATION FOR FY 2009-10 OPERATING BUDGET PRIORITIES

A. **Agency Section/Code/Name:**

Section 6 / H03 / Commission on Higher Education

B. **Priority No.:** 4.2 of 6

C.

(1) **Title:**

National Guard Tuition Assistance

(2) **Summary Description:**

The National Guard Tuition Assistance Program provides educational incentives for enlisting or remaining for a specified time in both the South Carolina Army and Air National Guards (SCNG).

(3) **Strategic Goal/Action Plan (if applicable):**

Funding for this program directly affects the goal of expanding postsecondary educational opportunities for South Carolinians

D. **Budget Program Number and Name:**

VIII. Scholarships and Assistance

E. **Agency Activity Number and Name:**

304 - Formerly the National Guard Tuition Repayment Program

F. **Detailed Justification for Funding:**

(1) **Justification for Funding Increase:**

During the 2007 legislative session, the General Assembly passed legislation ending the National Guard Loan Repayment Program and substituting a tuition assistance program for National Guard members. The National Guard Tuition Assistance Program is intended to assist the National Guard in its recruiting efforts. Based on fiscal impact estimates for the change in the program from a loan repayment program to a tuition assistance program, the General Assembly provided an additional \$1,300,000 in FY 2007-08. However, the funds appropriated were non-recurring funds that were not continued in FY 2008-09. CHE recommends that this funding be reinstated as recurring state funds so that full program funding is returned to \$3 million.

(2)

FY 2009-10 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Number of FTEs*		0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$1,300,000	\$1,300,000
Other Operating Expenses	\$0	\$0	\$0	\$0	\$ 0
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$1,300,000</b>	<b>\$1,300,000</b>
* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.					

(3) **Base Appropriation:**

State \$84,502,696

Federal \$0

Other \$0

(4) **Is this priority associated with a Capital Budget Priority?** No

**If yes, state Capital Budget Priority Number and Project Name:** .

G. **Detailed Justification for FTEs**

(1) **Justification for New FTEs**

(a) **Justification:**

(b) **Future Impact on Operating Expenses or Facility Requirements:**

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

(3) **FTEs in Program Area per FY 2008-09 Appropriation Act:**

State 0.00

Federal 0.00

Other 0.00

Agency-wide Vacant FTEs as of July 31, 2008: 12.0 of 34.0

% Vacant 35.30%

H. **Other Comments:**

### III. DETAILED JUSTIFICATION FOR FY 2009-10 OPERATING BUDGET PRIORITIES

A. **Agency Section/Code/Name:**  
Section 2 / H66 / Lottery Expenditure Account

B. **Priority No.:** 4.3 of 6

C.

(1) **Title:**  
Centers of Economic Excellence (CoEE)

(2) **Summary Description:**  
Identified as “an exceptionally well-conceived program” by external evaluators, this program invests in cutting edge research that has the potential for technology transfer and commercialization by establishing endowed professorships around which clusters of research centers are organized. Leveraging public funds with non-state matching dollars, in the short term this program has and will continue to increase the state’s share of federal and industrial research. In the medium to long term, this investment in intellectual capital in the knowledge economy will result in the expansion of existing companies, the creation of start-up and spin-off companies, and ultimately the creation of more and better paying jobs. The program focuses state resources on strategic goals, exploits natural strengths and advantages, fosters inter- as well as intra-institutional collaboration, and dramatically expands public-private partnerships and investments.

(3) **Strategic Goal/Action Plan (if applicable):**  
This program, commonly referred to as "the Endowed Chairs program" is key to enticing world-class researchers to South Carolina to make SC a global leader by fostering higher education's role in economic growth and human development.

D. **Budget Program Number and Name:**  
H66 Lottery Expenditure Account - I. Lottery Expenditures

E. **Agency Activity Number and Name:**  
292 - Centers of Excellence

F. **Detailed Justification for Funding:**

(1) **Justification for Funding Increase:**  
Funding for this program was reduced in FY 2008-09 from \$30 million to \$10 million. Paramount to continuing the success of this program is a dedication on the part of the state to ensure that this program not only survives but thrives. Returning funding to the \$30 million level received in FY 2007-08 is not only needed to support the fiscal needs of the research universities, but also to the perception of this program nationally and internationally as we strive to bring the best and brightest researchers to South Carolina. Success of the CoEE will lead to the expansion of existing companies, the creation of start-up and spin-off companies, and ultimately the creation of more and better paying jobs. It is truly an investment in South Carolina's future.

(2)

FY 2009-10 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Number of FTEs*		0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$30,000,000	\$30,000,000
Other Operating Expenses	\$0	\$0	\$0	\$0	\$ 0
<b>Total</b>	\$ 0	\$ 0	\$ 0	\$30,000,000	\$30,000,000

\* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

(3) **Base Appropriation:**

State \$0  
Federal \$0  
Other \$260,722,729

- (4) **Is this priority associated with a Capital Budget Priority?** No  
**If yes, state Capital Budget Priority Number and Project Name:** .

G. **Detailed Justification for FTEs**

(1) **Justification for New FTEs**

(a) **Justification:**

(b) **Future Impact on Operating Expenses or Facility Requirements:**

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

(3) **FTEs in Program Area per FY 2008-09 Appropriation Act:**

State 0.00  
Federal 0.00  
Other 0.00

Agency-wide Vacant FTEs as of July 31, 2008: 12.0 of 34.0  
% Vacant 35.30%

H. **Other Comments:**



### III. DETAILED JUSTIFICATION FOR FY 2009-10 OPERATING BUDGET PRIORITIES

A. **Agency Section/Code/Name:**

Section 9 / H12 / Clemson University  
Section 15A / H27 / Univeristy of South Carolina  
Section 17A / H51 / Medical University of South Carolina

B. **Priority No.:** 4.4 of 6

C.

(1) **Title:**

SC LightRail

(2) **Summary Description:**

SC LightRail is investment in the future of South Carolina that will benefit all of our institutions and all of our citizens through shared research, instructional programs, and services. We are again seeking non-recurring funding to complete this essential knowledge economy platform and will seek recurring funding needed to operate the system as we go forward.

(3) **Strategic Goal/Action Plan (if applicable):**

Completion of SC LightRail will significantly improve communication which will lead to further collaboration among the research institutions initially with expanding capacity to all institutions in South Carolina and will provide South Carolina with opportunities directly associated with making South Carolina a global leader by fostering higher education's role in economic growth and human development.

D. **Budget Program Number and Name:**

H12 / I.A. Educational & General - Unrestricted  
H27 / I.A. USC - Non-Medicine - Unrestricted E&G  
h51 / I.A. Educational & General - Unrestricted

E. **Agency Activity Number and Name:**

N/A

F. **Detailed Justification for Funding:**

(1) **Justification for Funding Increase:**

SC LightRail is a collaborative project by Clemson University, the University of South Carolina, the Medical University of South Carolina, Health Sciences S.C. (HSSC) partners (Palmetto Health, Greenville Hospital System, and Spartanburg Regional Healthcare System), and the S.C. Research Authority (SCRA). In addition, industry research entities and additional universities and technical colleges and research institutes will be encouraged to participate. The project will provide an ultra-high-speed, ultra-high-bandwidth network and applications service which will unite universities, hospitals, and research-based institutions. The project will allow the state to connect to the National Lambda Rail Network and thereby provide access to nationwide supercomputing and research application resources across the United States. Support for this program was reduced to \$2.1 million in non-recurring funds for FY 2008-09. CHE supports the institutions' request to reinstate funding to the previous level of \$4.5 million in FY 2009-10 as the initial phase of this program reaches fruition.

(2)

FY 2009-10 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Number of FTEs*		0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$4,500,000	\$0	\$0	\$0	\$4,500,000

<b>Total</b>	\$4,500,000	\$ 0	\$ 0	\$0	\$4,500,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) **Base Appropriation:**

State \$0  
Federal \$0  
Other \$437,120,039

(4) **Is this priority associated with a Capital Budget Priority?** No  
**If yes, state Capital Budget Priority Number and Project Name:** .

G. **Detailed Justification for FTEs**

(1) **Justification for New FTEs**

(a) **Justification:**

(b) **Future Impact on Operating Expenses or Facility Requirements:**

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

(3) **FTEs in Program Area per FY 2008-09 Appropriation Act:**

State 5,169.55  
Federal 0.00  
Other 9,802.80

Agency-wide Vacant FTEs as of July 31, 2008: Unknown  
% Vacant %

H. **Other Comments:**

We are requesting non-recurring funding to complete the infrastructure component of the SC LightRail. Once completed and operational, recurring funding will be requested to support system operation.

Amounts for Other Base Funding and Other FTEs in Program Area include aggregate Federal Funds and Other Funds.

### III. DETAILED JUSTIFICATION FOR FY 2009-10 OPERATING BUDGET PRIORITIES

A. **Agency Section/Code/Name:**  
Section 6 / H03 / Commission on Higher Education

B. **Priority No.:** 5 of 6

C.

(1) **Title:**  
Support for Other Higher Education Lottery-Funded Programs

(2) **Summary Description:**  
CHE continues to support funding of the higher education lottery programs. Key among these is continued Technology Funding for the 2-year and 4-year public colleges. Technology is a vital link in providing quality academic experiences for our students. The need for supporting this core responsibility is more important today than ever before.

Other lottery-funded programs include the Higher Education Excellence Enhancement Program (HEEEP) and the additional allocation to SC State University--funds that help to ensure the ability of these institutions to provide access to improved learning environments and programs.

(3) **Strategic Goal/Action Plan (if applicable):**  
This funding supports agency goals to ensure access to and quality of educational opportunities, to expand postsecondary educational opportunities for South Carolinians; and to make South Carolina a global leader by fostering higher education's role in economic growth and human development.

D. **Budget Program Number and Name:**  
H66 Lottery Expenditure Account - I. Lottery Expenditures

E. **Agency Activity Number and Name:**  
315 - Technology Grants  
309 - Excellence Enhancement

F. **Detailed Justification for Funding:**

(1) **Justification for Funding Increase:**  
CHE continues to support lottery funding of \$12,000,000 (\$3,600,000 in appropriated lottery funding and \$8,400,000 certified from unclaimed prizes) distributed to our comprehensive teaching universities, regional campuses, and technical colleges to support the upgrading of their technology needs and services. Technology is a vital link in providing quality academic experiences for our students. The need for supporting this core responsibility is more important today than ever before.

Other lottery-funded programs include the Higher Education Excellence Enhancement Program (HEEEP) (\$4,700,000) and the allocation to SC State University (\$2,500,000). These funds help to ensure the ability of our HBCUs and other designated institutions to provide access to improved learning environments and programs.

(2)

FY 2009-10 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Number of FTEs*		0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$19,200,000	\$19,200,000
Other Operating Expenses	\$0	\$0	\$0	\$0	\$ 0

<b>Total</b>	\$ 0	\$ 0	\$ 0	\$19,200,000	\$19,200,000
* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.					

(3) **Base Appropriation:**

State \$0  
Federal \$0  
Other \$260,722,729

(4) **Is this priority associated with a Capital Budget Priority?** No  
**If yes, state Capital Budget Priority Number and Project Name:** .

**G. Detailed Justification for FTEs**

(1) **Justification for New FTEs**

(a) **Justification:**

(b) **Future Impact on Operating Expenses or Facility Requirements:**

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

(3) **FTEs in Program Area per FY 2008-09 Appropriation Act:**

State 0.00  
Federal 0.00  
Other 0.00

Agency-wide Vacant FTEs as of July 31, 2008: 12.0 of 34.0  
% Vacant 35.30%

**H. Other Comments:**

Total request includes continuance of appropriated lottery funds shown above and continuance of Lottery Technology appropriation of \$8,400,000 from unclaimed prizes for a total of \$19,200,000 in support of these three programs.

### III. DETAILED JUSTIFICATION FOR FY 2009-10 OPERATING BUDGET PRIORITIES

A. **Agency Section/Code/Name:**

Section / H03 / Commission on Higher Education

B. **Priority No.:** 6 of 6

C.

(1) **Title:**

Collaborative and Statewide Education Programs

(2) **Summary Description:**

The Commission continues to support collaborative education programs funded through the CHE budget. CHE is requesting increases for three programs (SREB Programs and Services, SC GEAR UP, and Access & Equity) which are administered centrally by CHE. These programs assist the state in ensuring greater numbers of students are prepared to enter and succeed in college and to help our students access college programs and earn degrees.

CHE is also supporting collaborative education programs that flow through our budget to higher education partners. The information in items F.1.d-h below indicates the funding requests communicated to CHE by these entities.

(3) **Strategic Goal/Action Plan (if applicable):**

The Collaborative and Statewide Education Programs collectively support the Commission on Higher Education's strategic goals: (1) to ensure efficient and effective delivery of services, (2) to ensure quality and diversity of academic programs and educational services in South Carolina, (3) to ensure access to and quality of educational opportunities among underrepresented groups in higher education in SC, (4) to expand postsecondary educational opportunities for South Carolinians, (5) to present the needs and develop support for appropriate funding of public colleges and universities and to address strategic issues in public and private higher education as they are identified, and (6) to make South Carolina a global leader by fostering higher education's role in economic growth and human development.

D. **Budget Program Number and Name:**

I. Administration

II. Service Programs

E. **Agency Activity Number and Name:**

286 & 287 - SREB Contractual Scholarships and SREB Fees & Assessments

288 - Gear Up

285 - Access & Equity

303 - Experimental Program to Stimulate Cooperative Research

282 & 283 - University Center of Greenville - Operations

281 - Greenville Technical College - University Center

284 - Lowcountry Graduate Center

289 - SC Manufacturing Extension Partnership

1797 - Critical Needs Nursing Initiative

280 - SC Alliance for Minority Participation

F. **Detailed Justification for Funding:**

(1) **Justification for Funding Increase:**

a.) The Commission on Higher Education is requesting a funding increase of \$469,300 to support contractual obligations with the Southern Regional Education Board (SREB). The requested increase for FY 2009-10 will enable South Carolina to maintain its membership in SREB and to provide full participation in the programs including contracts-for-services in optometry and veterinary medicine, the tuition aid program, the Doctoral Scholars Program, and SREB general operations and regional education programs. Continued participation in optometry and veterinary medicine enables South Carolina to maintain availability of slots for South Carolina residents in other states' professional programs while the State avoids the expense of building, staffing, and running these professional schools. Membership in SREB also enables the state's residents to access programs in other states that are not offered in South Carolina at their in-state rates through the Academic Common Market. Fees for the doctoral scholars program support recruitment and retention of minority doctoral candidates.

b.) The Commission on Higher Education is requesting an additional \$223,147 with \$23,147 needed to reinstate appropriated reductions and \$200,000 to expand program into the northwest section of the state. Funds

appropriated for SC GEAR UP are used for middle and high school partnership programs to reach disadvantaged middle school students to improve their preparation for college. The funds are used as a match to Federal GEAR Up funds (\$2,468,637 in each of six years) awarded initially in FY 2006-07. Students in schools along the I-95 corridor have been the targeted population in this second major federal GEAR UP award.

c.) The Commission on Higher Education is requesting to reinstate the budget reduction of \$15,593 needed to ensure the continued success of the Access & Equity Program. Ensuring educational equity for all students and faculty in higher education is one of the primary functions of the Commission. Success in college should not be affected by a student's race. Minority enrollment should be at least proportional to the minority population in South Carolina and minority graduation rates should be comparable to the graduation rates of other students. The requested funds will improve the state's commitment to Access and Equity Programs by enabling the program to serve increased numbers of under-represented populations.

d.) The Commission on Higher Education is requesting on behalf of EPSCoR an increase in recurring funding of \$1,026,670 to support the merit-based federal/state/institutional partnership designed to decrease the undue geographic concentration of federal research investments. EPSCoR is based on the premise that university faculty and students are valuable resources which can be used to build a competitive science and technology enterprise. The EPSCoR partnership paradigm requires state commitment which must be in place for future response to larger and more prestigious federal research opportunities. The request for FY 2009-10 will provide total state support for this program of \$3,000,000.

e.) The Commission on Higher Education is requesting on behalf of the University Center of Greenville (UCG) a funding increase of \$1,728,998. This includes moving \$1,112,229 provided in non-recurring funds in FY 2008-09 to recurring and \$616,769 associated with program expansion. UCG is the primary source for baccalaureate and graduate degree programs serving a nontraditional student population in the Greater Greenville region. The Center houses 78 undergraduate and graduate programs from seven South Carolina universities (Clemson, Furman, Lander, MUSC, SC State, USC Columbia, and USC Upstate.) Also in support of the Center, Greenville Technical College requests \$750,000 in nonrecurring funding for payment of debt service and maintenance needs for McAlister Square Mall, which houses the University Center.

f.) The Commission on Higher Education is requesting on behalf of the Lowcountry Graduate Center (LGC) a funding increase of \$1,200,000 in recurring funds needed to provide for program expansion and \$1,625,000 in non-recurring funds to support the relocation and upfitting cost needed to facilitate this growth. LGC is a five-member consortium developed to expand the opportunities for graduate education in the Lowcountry region of the state. Partner institutions include the College of Charleston, MUSC, The Citadel, Clemson, and USC Columbia. Recognizing that increased graduate educational opportunities are a key element in the economic growth and development of an area, the LGC works cooperatively to establish programs to meet community needs. The request for FY 2009-10 will support anticipated program growth and will providing funding necessary to relocate to a larger facility.

g.) The Commission on Higher Education is requesting on behalf of the South Carolina Manufacturing Extension Partnership (SCMEP) \$1,200,000 to reinstate non-recurring funding received in FY 2007-08. SCMEP is a private, non-profit 501(c)(3) organization funded through a cooperative agreement with the United States Department of Commerce's National Institute of Standards and Technology (NIST), matching state funds, and revenue from private and other grant sources. SCMEP, part of the nation's manufacturing extension partnership system, is governed by a fiduciary board of directors and is committed to serving small-to mid-sized manufacturers with resources and services to help them become more competitive and productive. SCMEP's delivery of services is dependent upon relationships with partners, public agencies, non-profits and numerous private consultants. The program enables new technology, theories and innovation to transfer from university and continuing education programs onto the manufacturing floors of the state's small companies. The organization has formal, contracted relationships with the University of South Carolina, Clemson University and the South Carolina Technical College System. State funds allow SCMEP to contract with SC institutions of higher education provide services they are uniquely suited to offer. The request for FY 2009-10 will return total state support to the level received in FY 2007-08.

h.) The Commission on Higher Education is requesting continuing support of the South Carolina Critical Needs Nursing Initiative. This legislation was created to provide incentives to retain nurse faculty scholars; attract new nurse faculty; provide student loans, grants, and scholarships to in-state resident nursing students; to establish a research office to predict health care workforce needs; and provide technology to increase accessibility to clinical education needs. The initiative has received \$2,000,000 since its inception. \$1,000,000 is requested for FY 2009-10 to continue the faculty incentives component of the legislation.

i.) The Commission on Higher Education is requesting \$313,308 to provide for program expansion for the South Carolina Alliance for Minority Participation (SCAMP), a statewide consortium of all 7 Historically Black Colleges and Universities (HBCUs) and five non-minority institutions (two technical colleges and three senior institutions (two of which are major research universities) in SC. Initially, there were only eight alliance institutions. However, since 2002, four additional academic institutions have become partners. SCAMP is designed to increase the number of S.C. African-American undergraduate students who pursue Ph.D. opportunities in science, technology, engineering, and mathematics (STEM). SC State is the fiscal agent for the statewide program. The SCAMP program was established in 1992 in response to a competitive request for proposals from the National Science Foundation (NSF). It is designed to remove the barriers that prevent full participation in STEM fields by minority individuals. The General Assembly has provided funding support for this initiative since 1994. State matching funds have impacted SCAMP programs by enabling the alliance to increase student support.

(2)

<b>FY 2009-10 Cost Estimates:</b>	<b>State Non-Recurring Funds</b>	<b>State Recurring Funds</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Number of FTEs*		0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$2,375,000	\$6,707,716	\$0	\$0	\$9,082,716
Other Operating Expenses	\$0	\$469,300	\$0	\$0	\$469,300
<b>Total</b>	<b>\$2,375,000</b>	<b>\$7,177,016</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$9,552,016</b>
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) **Base Appropriation:**

State \$14,214,057  
Federal \$5,645,031  
Other \$7,654,672

(4) **Is this priority associated with a Capital Budget Priority?** No  
**If yes, state Capital Budget Priority Number and Project Name:** .

**G. Detailed Justification for FTEs**

(1) **Justification for New FTEs**

(a) **Justification:**

(b) **Future Impact on Operating Expenses or Facility Requirements:**

(2) **Position Details:**

	<b>State</b>	<b>Federal</b>	<b>Earmarked</b>	<b>Restricted</b>	<b>Total</b>
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	<b>State</b>	<b>Federal</b>	<b>Earmarked</b>	<b>Restricted</b>	<b>Total</b>
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

(3) **FTEs in Program Area per FY 2008-09 Appropriation Act:**

State 22.70

Federal 0.00

Other 0.00

Agency-wide Vacant FTEs as of July 31, 2008: 12.0 of 34.0

% Vacant 35.30%

H. **Other Comments:**



IV. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

**The Capital Plan for Higher Education has not received final approval. Accordingly, information concerning capital budget priorities is not available at this time.**

A. Agency Section/Code/Name:

B. Priority No. \_\_\_\_\_ of \_\_\_\_\_

C. Strategic Goal/Action Plan (if applicable):

D. Project Name and Number (if applicable):

E. Agency Activity Number and Name:

F. Description of Priority:

G. Detailed Justification for Funding

(1) Justification for Funding Priority:

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	\$0	\$0	\$0	\$ 0

*\* If additional annual operating costs from any source of funding are anticipated upon project completion, please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs:

(1) Will additional annual operating costs be absorbed into your existing budget?

If not, will additional state funds be needed in the future?

If state funds will not be needed in the future, explain the source(s) that will be used.

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated:

Will this fiscal year require a partial or full year's operating funds?

If a partial year's funds are required, what portion of the year does it cover?

(3)

Additional Annual Operating Cost	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Total Personnel Costs	\$0	\$0	\$0	\$0	\$ 0
Furniture/Equipment	\$0	\$0	\$0	\$0	\$ 0
Other Operating Costs	\$0	\$0	\$0	\$0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs (If Section H above represents a full year's operating funds, do not complete this section.)

- (1) **Will additional annual operating costs be absorbed into your existing budget?**

**If not, will additional state funds be needed in the future?**

**If state funds will not be needed in the future, explain the source(s) that will be used.**

- (2) **First Full Fiscal Year Additional Annual Operating Costs Are Anticipated:**

- (3)

<b>Additional Annual Operating Cost</b>	<b>State Non-Recurring</b>	<b>State Recurring</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Total Personnel Costs	\$0	\$0	\$0	\$0	\$ 0
Furniture/Equipment	\$0	\$0	\$0	\$0	\$ 0
Other Operating Costs	\$0	\$0	\$0	\$0	\$ 0
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

J. **Other Comments:**

**VI. ADDENDUM**  
**ASSESSMENT OF ACTIVITIES**

Agency Section/Code/Name: H03 - H59 - Commission on Higher Education and Public Colleges and Universities

**PRIORITY SUMMARY**

TOP 5% PRIORITIES									
	Activity Name	Activity No.	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total	FTEs
1	See Activity Impact Statement below.							0	
2								0	
For additional rows, place cursor in this gray box and press "Ctrl" + "a". (You must start in this gray box; otherwise, the programmed formatting will be altered.)									
	<b>TOTAL HIGHEST:</b>		0	0	0	0	0	0	0.00

BOTTOM PRIORITIES: 5% PLUS BUDGET REQUESTS DOLLAR AMOUNT									
	Activity Name	Activity No.	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total	FTEs
1	See Activity Impact Statement below.							0	
2								0	
For additional rows, place cursor in this gray box and press "Ctrl" + "a". (You must start in this gray box; otherwise, the programmed formatting will be altered.)									
	<b>TOTAL LOWEST:</b>		0	0	0	0	0	0	0.00

## VI. ADDENDUM ASSESSMENT OF ACTIVITIES

Agency Section/Code/Name: H03 - H59 - Commission on Higher Education and Public Colleges and Universities

### DETAILS FOR LOWEST PRIORITIES

Activity Name:					Activity #:	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs						0.00
Personal Service						0
Employer Contributions						0
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses						0
<b>TOTAL LOWEST:</b>	0	0	0	0	0	0

#### Reasoning for Lowest Priority Status:

#### Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

CHE submits requests on behalf of public higher education and the agency. The request for FY 2009-10 of \$27,309,257 in new recurring dollars falls into CHE's portion of the state's recurring budget. Of this total, \$5,542,289 is funding that has been recently provided in nonrecurring dollars and was lost in the current year or will be lost in FY 2009-10 if not funded. The majority (83%) of the CHE request is needed to meet the needs in state-funded student assistance (largely need-based student aid), to provide for higher education awareness directed toward low-income high school students, and to provide for collaborations that provide needed student access. The remaining portion of CHE's request provides funding to continue a collaborative statewide program, PASCAL's higher education electronic library that has been funded since 2004-05 in nonrecurring funds and to provide for two programs that assist in improving South Carolina's competitiveness. Detailed justification has been provided as required. CHE understands the difficult budget situation and understands that difficult decisions will have to be made. However, CHE would not be carrying out its responsibilities if identified needs were not requested.

Activity Name:					Activity #:	
Estimate of Savings:	General	Non-Recurring & Health Proviso	Capital Reserve	Federal	Other	Total
Number of FTEs						0.00
Personal Service						0
Employer Contributions						0
Program/Case Services						0
Pass-Through Funds						0
Other Operating Expenses						0
<b>TOTAL LOWEST:</b>	0	0	0	0	0	0

#### Reasoning for Lowest Priority Status:

#### Activity Impact (Describe the impact on the activity affected, including the impact on customers and clients.):

**VI. ADDENDUM**  
**ASSESSMENT OF ACTIVITIES**

Agency Section/Code/Name: H03 - H59 - Commission on Higher Education and Public Colleges and Universities

**For additional Low Priority Details, place cursor in this yellow box and press "Ctrl" + "p". (You must start in this yellow box; otherwise, the programmed formatting will be altered.)**